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COUNTRY COOPERATION FRAMEWORKS AND RELATED MATTERS

COUNTRY REVIEW REPORT FOR BANGLADESH

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INTRODUCTION

1. In accordance with the procedures set forth in the programming manual for the review of country cooperation frameworks (CCFs), a review for Bangladesh was held from 7 February to 3 March 1999. The present report contains a summary of the findings of the review. The findings are grouped by thematic area, for each of which are presented summaries of the conclusions reached by the review team, the corresponding recommendations and the action agreed on by UNDP and the Government. The full text of the review in the language of submission is available from the Executive Board Secretariat upon request.

I. THE NATIONAL CONTEXT

2. The period under review has witnessed major developments in Bangladesh with implications for long-term growth, alleviation of poverty, streamlined and decentralized governance structures and processes for economic, social and administrative management, advancement of women, and protection and regeneration of the environment. A renewed strategy to address these issues has been articulated in the fifth five-year plan (1997-2002). Close ties between the Government and UNDP have been reinforced by the lead role taken by UNDP in sensitive areas of governance and in the Chittagong Hill Tract peace process.

3. Three years of CCF implementation provide insufficient time for realizing measurable outcomes in poverty alleviation. Recent analyses, however, point to a decline in the incidence of both urban and rural poverty. The headcount measure of poverty in urban areas fell from 44.4 per cent in April 1996 to 43.4 per cent in April 1997, and rural poverty fell from 47.9 per cent to 46.8 per cent during the same period. In spite of an economic growth rate of around 5 per cent per annum in the 1990s, nearly 36 per cent of the population is considered very poor, inequality has prevented a rapid reduction in poverty, and rural poverty of the very poor is twice as high as urban poverty.

4. Conclusions. The sustainable human development (SHD) programmes and projects constituting the CCF remain congruent with and relevant to the country's human development needs.

5. Agreed actions. The next CCF for Bangladesh will be formulated on the same SHD principles, focusing on enhanced coordination for accelerated poverty eradication. Greater attention will be paid to sharpening the focus of UNDP support for greater results orientation and deepening the linkages between ongoing and new, related, programme interventions.

II. THE COUNTRY COOPERATION FRAMEWORK

6. The programme under the CCF, which has now emerged with the formulation of individual programmes and projects, is clearly anchored in a strategy of poverty alleviation through social mobilization and community empowerment, complemented by support to decentralization, democratization and improved delivery of socio-economic support services, as well as policy support in a number of

strategic areas. Throughout the CCF, UNDP has recognized the critical importance of situating UNDP cooperation in the context of national development priorities and identified national programmes.

7. Although the programme concentration of the CCF is in line with the evolving SHD priorities in Bangladesh, explicit national programmes have not yet been developed in a number of areas. Wherever a national programme has been pursued by the Government, the CCF has adopted a deliberate strategy to experiment with various modalities to achieve CCF objectives.

8. While poverty alleviation is anchored in a strategy of social mobilization and empowerment of local communities, especially the poor and women, such interventions are reinforced by capacity-building support to local government and electoral bodies that are critical to empowerment.

9. Conclusions. The intended results, outcome and impact of community empowerment programmes (CEPs) require additional time and a sustained focus. The UNDP CEP programme focus should be followed through as a long-term programme commitment in Bangladesh.

10. The development of participatory local-level planning can provide a powerful mechanism for integrating village development plans, which are being pursued under the CEPs, into the local and national plans and programmes, including appropriate mechanisms for budgetary linkages to augment resource flow to the union/village level, thus providing elements for converting the CEPs into local area development schemes.

11. The governance programme assumed increasing priority during the first three years of the CCF, reflecting the commitment of the Government to address fundamental constraints to SHD. The governance portfolio needs further articulation at the micro level, where governance issues should be addressed to reinforce local-level poverty alleviation measures.

12. Recommendations. The investment in CEPs should be continued in the next CCF. National-level governance interventions need further articulation in a way that reinforces local-level poverty alleviation as well as from the viewpoint of promoting convergence of the global and national governance and human rights agenda.

13. Agreed actions. The Economic Relations Division of the Government and UNDP, in cooperation with the Planning Commission and other stakeholders, will finalize a local governance/planning project that: (a) captures the experiences from the CEPs and related governance programmes for advancing local self-government and related programmes, possibly in the form of integrated and participatory local area development schemes; (b) ensures linkage between local-level planning processes and macro planning and policy instruments for use in preparing the next five-year plan, the annual development programme, relevant sectoral/thematic policies; and (c) provides instruments governing the cooperation between the Government and major donors (e.g., the United Nations Development Assistance Framework (UNDAF) and the World Bank Country Assistance Strategy).

14. The Government and UNDP will identify critical gaps to be addressed in ongoing local government reform, the democratization process and related reform programmes, and determine further strategic support that UNDP - in collaboration with other development partners - is best placed to provide. The Economic Relations Division and UNDP, in cooperation with relevant national executing agencies and stakeholders, will further synchronize the implementation, and monitoring of the various poverty and governance pilot programmes (including the establishment of learning modules), with the aim of enhancing the ongoing reform and democratization efforts and of achieving synergies and cost-effectiveness in the implementation of relevant programmes.

15. In addition to stand-alone support programmes, the Economic Relations Division and UNDP, in collaboration with relevant partners and stakeholders, will further mainstream environmental, gender and disaster-management initiatives as part of the ongoing poverty alleviation and governance programme initiatives.

III. PROGRAMME PERFORMANCE

16. Translation of the CCF into operational programmes and projects has taken inordinately long. Implementation of the programmes and projects under the CCF finally began early in 1998. At the time of the country review, only a few major projects had begun to show implementation results and indicate a pattern of impact. For example, the effectiveness of the CEPs can be seen from the most advanced CEP intervention in Kishoreganj. The somewhat limited experience in Sylhet and Sirajganj and the strategy adopted for the newly formulated UNDP/United Nations Capital Development Fund local development project in Sirajganj also provides a useful learning experience. As a follow-up to the World Food Summit, a separate programme for developing food-security measures and systems at the household level has been developed in close cooperation with the World Food Programme.

17. Three UNDP/Food and Agriculture Organization of the United Nations agro-support projects have yielded credible outcomes for income and employment generation, environment and natural resources management, and improving agricultural productivity through crop diversification and intensification. Concentration of such capacity-building support to CEP project areas can greatly enhance the impact of the poverty-alleviation programmes. An attempt has indeed been made in this direction but the linkage needs to be made stronger.

18. UNDP involvement in governance is broad based. The neutrality of the role of the United Nations and its global experience and mandate in several areas of governance place UNDP in a unique position to address sensitive issues such as a national human rights commission, the election process, public administration reform, parliament, audit and development of the Chittagong Hill Tracts. Support to the Ministry of Law has resulted in the preparation of draft legislation for the establishment of a national human rights commission. UNDP has also made a contribution to strengthening the village judicial system by identifying mechanisms for village people's rights and legal support measures.

19. An innovative feature of the CCF is that formulation of projects has been administered through consultations including intended beneficiaries, government officials, non-governmental organizations (NGOs), community groups, national institutions, the private sector, parliamentarians, academia and other professional groups. Participatory rural appraisal (PRA) tools have been used for assessing and mapping needs and designing intervention strategies. Stakeholder workshops for needs assessment at the local, subnational and national levels enriched the approach to project formulation.

20. This process entailed substantial time that resulted in delays in preparing project documents and in the operationalization of programmes and projects. The quality of complex projects/programmes such as the CEPs and the sustainable environment management programme (SEMP) was enhanced by consultation and PRA methodologies used in the formulation process. In the project formulation process, however, there was difficulty acquiring adequate baseline socio-economic information that could provide measurable monitoring and performance indicators of each project; likewise, capacity assessment of executing and implementing agencies was lacking.

21. Adherence to the programme approach has resulted in a concentration of resources within a few areas. The number of operational projects was reduced from 123 in 1992 to 35 in 1998. Greater substantive oversight and control is now possible. This reduction in the number of projects has contributed to greater coherence and cohesion in the programme, making the programme more amenable to evaluating impact against CCF objectives.

22. National execution is the preferred execution modality of UNDP-supported programmes. The projects of the CCF are largely nationally executed, a major departure from the execution modality pursued in the previous country programme. Programme funds channelled through national execution increased from a mere 7 per cent in 1992 to over 70 per cent in 1996, and more than 95 per cent in 1998. Although the national execution principle was followed in defining its management and implementation arrangements, less emphasis was placed initially on developing specific implementation and management capacity to achieve effective national execution.

23. The adoption of national execution has generated many difficulties, resulting in a slowdown in project implementation. During the initial 24 months of the CCF, virtually all projects under the national execution modality were experiencing difficulties in implementation. It became apparent that national institutions would need to have more experience before assuming full command over the execution and management of UNDP-supported projects. The lack of a national execution capacity assessment or capacity-building strategy became evident. These issues were fully addressed at the first comprehensive review of the CCF in 1998.

24. The experience of NGOs has been appropriately drawn on for advocacy programmes, project formulation, and implementing community-level poverty alleviation and environmental management activities. The prominent role of NGOs as implementing partners is identified in the SEMP. Related experience gained during 1999 will provide lessons for further management partnership with NGOs for the execution of UNDP-supported projects. Paradoxically the Government

chose not to involve NGOs in any of the CEP projects, where they have considerable expertise.

25. United Nations support to national execution has been provided in two ways: one through direct country office support by UNDP and the other involving United Nations agency support. UNDP direct country office support has been extensively utilized by national executing agencies. This support has seriously strained the capacity of the UNDP country office. In early-1998, UNDP and the Government agreed on a strategy to utilize the management and implementing strength of United Nations agencies. Extensive use of the United Nations Office for Project Services (UNOPS) is now being made in project implementation. This support is drawn on in a selective manner to ensure that a longer-term capacity-building objective is addressed to overcome deficiencies in the management and implementation capacity of national institutions.

26. The technical assistance project proforma (TAPP), the project concept paper (PCP) and the project proposal are the Government-administered counterpart instruments of UNDP project documents. Preparation and approval of TAPPs and PCPs have taken substantial time. In the case of certain projects, the TAPP/PCP and UNDP project document are not fully compatible. Eight project documents with a budget of over $53 million were approved in March 1997 but most did not become operational until the end of the year owing to delays in the approval of government counterpart instruments. Final project approval by the Government has taken on average 12 to 18 months and, subsequently, actual start-up of a project may take several more months.

27. The increased involvement of United Nations agencies in implementing strategic components of project activities has resulted in a substantial increase in programme delivery. For example, about half the expenditure of some $21 million in 1998 was delivered through UNOPS. Programme delivery is expected to improve in the subsequent years of the CCF period with increased involvement of United Nations agencies.

28. Monitoring and evaluation of the CCF is done at both the programme and project levels. A more systematic approach to reviewing the overall programme constituting UNDP cooperation is now done as part of the annual review exercise. The development of a programme monitoring plan was started in March 1997. This has been enhanced in conjunction with the strategic results framework (SRF) exercise during the second quarter of 1999.

29. UNDP is making a continued effort to improve performance measurement indicators while placing greater emphasis on baseline socio-economic surveys for objective monitoring and impact-evaluation. Monitoring indicators are being developed for a project to track project outcome. A three-year rolling evaluation plan is effectively being pursued.

30. Planning and programming of core resources have been well covered in the CCF. With regard to the target resource assignment from the core (TRAC), Bangladesh secured a near-maximum amount of available TRAC-2 resources, based on the quality of CCF programmes. Pilot initiatives in poverty alleviation through community empowerment have been exclusively funded from the UNDP core programme

budget. A government commitment in resource terms has also been provided to projects although these have not been adequate for some projects.

31. Public information and advocacy relating to environment, gender and development, human rights, children's rights, poverty eradication through empowerment of the poor, good governance, and democratization and decentralization are actively pursued by UNDP through project activities, including workshops, seminars and use of the electronic media. The national human development report has become an important vehicle for incorporating SHD into national planning processes.

32. Conclusions. The commitment of UNDP and the willingness of the Government to pursue national execution as the principal execution modality has led to over 95 per cent of project commitments being delivered through national execution under the current CCF. However, as projects under the CCF have gone into implementation, capacity gaps in the national executing and implementing agencies have surfaced. A national execution assessment, a strategy, a plan and phased implementation with targets are required, together with an agreed "exit strategy" for interim support measures. In this respect, the decisions taken at the annual CCF review in February 1998 are relevant and being successfully pursued, but warrant a longer-term strategy and time-frame.

33. Execution support by UNDP should be clearly defined and prioritized with a clear strategy gradually to transfer the responsibility to national executing and implementing institutions.

34. The Government recognizes the comparative strength of NGOs in implementing community-level projects. Two projects, currently in the approval process, have been designed for execution by national NGOs.

35. Baseline socio-economic data can provide substantive, measurable indicators for monitoring and evaluation. Internal review of all projects with a view to assimilating performance indicators will be carried out in the immediate term for establishing a results-oriented project monitoring system.

36. The advocacy activities of UNDP may need to be geared towards a more functional approach facilitating upstreaming of lessons derived from micro-level project interventions as well as for resource mobilization purposes. The national human development report is a vital instrument in this process. National workshops could be organized to share lessons learned from the CEPs and assess innovative poverty alleviation studies pursued under the CCF.

37. Recommendations. A number of mainstream administrative, management and financial policies and procedures of the Government require greater flexibility. The streamlining of procedures and institutional arrangements (TAPP/PCP) for the project-approval process could improve the implementation rate.

38. The UNOPS regional office should provide substantive support in two areas: the improvement of project delivery through active involvement, and design and implementation of a negotiated national execution strategy. In essence, the involvement of UNOPS should improve delivery as well as institutional capacity by designing and implementing a national execution capacity-building strategy.

39. Agreed actions. The Economic Relations Division of the Government and UNDP will pursue remedial measures to offset management constraints in national execution by, inter alia: expanding the UNOPS national execution enhancement support arrangement (currently applied to CEPs); more extensive use of United Nations technical agencies and NGOs in implementation; introduction of a post of roving financial comptroller and administrative management support; closer collaboration between the Economic Relations Division, the Comptroller and Auditor General and UNDP in following up on the outcomes of project audits; continued UNDP country office training support to key project staff.

40. The Government, UNDP and UNOPS will critically review the current, mainly government execution modality and develop a more comprehensive national execution strategy that will reduce the central Government's micro and administrative management of, especially, community and field-based programmes in favour of more appropriately placed and competent beneficiary/partner agencies.

41. The Economic Relations Division of the Government, executing agencies and UNDP will adopt common monitoring tools and practices and conduct regular, quarterly meetings to review project progress against approved work plans and established delivery targets. The next annual CCF review will concentrate on: (a) assessing progress in remedial and alternative national execution implementation arrangements; and (b) assessing substantive progress in terms of CCF-SRF outputs and outcomes.

42. The Government could accelerate project design, appraisal and approval by reviewing its project instruments (TAPP/PCP) and appraisal/approval procedures, with greater discretionary approval authority being delegated to line agencies and subnational executing agencies.

43. The Economic Relations Division of the Government and UNDP are jointly to build into the monitoring system the SRFs developed by UNDP, and to reorient progressively from input to results-oriented management.

44. The Economic Relations Division of the Government, UNDP and the Comptroller and Auditor General's Office are to agree on joint actions in follow-up to the outcome of project audits. The Economic Relations Division, the government inspection agency and UNDP are to utilize the three-year rolling evaluation plan to strengthen the learning and policy-feedback functions of evaluation.

45. The Planning Commission, the Economic Relations Division and UNDP will use existing tools of dialogue - especially the national human development report - and advocacy instruments for effectively translating lessons learned from UNDP-assisted pilot ventures into national policies and programmes as well as for consolidating and expanding partnerships.

IV. UNDP SUPPORT TO THE UNITED NATIONS

46. In response to the reform measures undertaken at the United Nations corporate level, UNDP has been exploring and implementing a variety of efficiency and cost-saving measures in collaboration with the United Nations

agencies in Bangladesh. These include harmonized programme cycles, coordinated programming, monitoring and evaluation, shared administrative system and common premises. The United Nations agencies have meanwhile collaborated in developing a common database, as part of the preparation of a United Nations common country assessment (CCA). Work was also begun on an UNDAF during 1999.

47. A mechanism of meetings of a local consultative group (LCG), under the leadership of the World Bank, provides opportunity for donors to have more operational-oriented reviews of donor responses to emerging development issues. UNDP currently chairs the LCG theme groups on poverty, governance, gender, and Chittagong Hill Tracts. The LCG mechanism is effective at programme level coordination by facilitating donor-supported programmes and action by the Government of Bangladesh on national development priorities.

48. Conclusions. The programming periods of UNDP, UNICEF and WFP have been harmonized, and the CCA and UNDAF process has been initiated. Thus, the next country programme will reflect the mandates and national and global priorities of each United Nations agency.

49. Recommendations. The CCA and UNDAF will provide the basis for more coherent, rights-based and results-oriented programming for the United Nations system in Bangladesh. The existing process of close interaction between agencies in the preparation of the first UNDAF should be sustained to form the basis for future close operational linkages between agencies.

50. Agreed actions. The Government and UNDP, together with other United Nations agencies in Bangladesh, will capture and review lessons from the current CCF and CCA experience to inform the design of the first Bangladesh UNDAF and the next CCF for Bangladesh.

51. The Government and UNDP will consider a phased approach to narrowing the focus in the next CCF.

Annex

FINANCIAL SUMMARY

COUNTRY: BANGLADESH
CCF period: 1995-1998; CCF extension: 1999-2000
Period covered by the country review: 1995-1998

Regular resources	Amount assigned for the CCF* (thousands of US dollars)	Amount planned for the period under review (thousands of US dollars)	Estimated expenditure for the period under review (thousands of US dollars)
Estimated IPF carry-over	58 073	58 073	45 157
TRAC 1.1.1 and TRAC 1.1.2 (56.7% of TRAC 1.1.1)	34 266	28 850	0
TRAC 1.1.3	0	10	10
Other resources	0	516	516
SPPD/STS	0	1 501	1 501
Subtotal	92 339	88 950	47 184
Other resources	**Amount targeted for the CCF**	**Amount mobilized for the period under review**	**Estimated expenditure for the period under review**
Government cost-sharing	6 000	1 357	1 357
Third-party cost-sharing	6 000	3 499	3 499
Sustainable development funds			
GEF	4 000	109	109
Capacity 21	2 000	0	0
Montreal Protocol	2 000	294	294
Funds, trust funds and other			
UNIFEM	1 700	0	0
UNCDF	6 000	7 420	7 420
Other	0	125	125
Subtotal	27 700	12 804	12 804
GRAND TOTAL	120 039	101 754	59 988

* Prorated for the period under review.